

Example Terms of Reference for Finance Committee

1. Membership.

The committee shall consist of five or more governors including no less than 3 governors not permanently employed by the School and the headteacher. Non-governors may be co-opted by the committee but the full governing body must determine their voting rights. The majority of committee members must be members of the governing body and no vote can be taken unless the majority of members present are governors.

2. Quorum.

The quorum shall be a minimum of 3 governors which must include the headteacher and 1 governor not permanently employed by the school.

3. Meetings and attendance rights

Meetings should take place at least once a term and otherwise as necessary. Agendas should be discussed and drafted by the chair and headteacher. Any major items must be included on the agenda and not introduced under Any Other Business unless the meeting deems it to be extremely urgent. Decide on attendance rights.

4. Minutes.

Each meeting shall delegate a governor or appoint a clerk to take minutes, which shall be circulated to all governors before or at the next full Governing Body Meeting. The head cannot take minutes (statutory).

5. Chair.

The Committee shall elect annually a Chair and a Vice-Chair. (The committee may not be chaired by non-governors or anyone employed to work at the School).

6. Terms of Reference:

- to provide guidance and assistance to the headteacher and the governing body in all matters relating to budget and finance
- to discuss and adopt the budget (with any amendments which are agreed) NB. The full governing body must approve the first formal budget plan of the financial year
- to consider the governing body's budgetary priorities with particular reference to the school's Development Plan, previous OFSTED Report and DfE directives
- to prepare and review financial policy statements including consideration of long term planning and resourcing
- to agree limits of delegation and the power to transfer between budget headings (virement)
- to monitor expenditure against budget, evaluate outcomes and report the financial situation to the governing body at each termly meeting
- to receive and, where appropriate, respond to periodic audit reports of public funds.
- to explore all possible sources of income for the school and secure only those funds which conform to the aims and ethos of the school
- to adopt and adhere to current LA Schools' Model Financial Regulations & Standing Orders
- To complete and submit the Schools Financial Value Standard as directed by the DfE

To clarify the division of financial responsibilities, the headteacher shall be responsible for:

- drawing up the proposed budget options for delegated funds, special purpose grants and other anticipated income for consideration and approval by the governing body.
- incurring expenditure within delegated limits once the budget has been agreed
- submitting regular monitoring reports of expenditure against budget to the finance committee